

Export to the Eurasian Economic Union

Despite the difficult political climate, trade between Russia and Europe has not stopped. However, the financing options have deteriorated significantly since the beginning of sanctions.

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After the establishment of the Eurasian Economic Union (EEU) in 2015, which resulted from the customs union with the Member States Russia, Belarus and Kazakhstan, the countries Kyrgyzstan and Armenia joined the EEU. This speaks in spite of the sanctions for the great future potential of Russia and EEU for Western European exporters.

Russia is the largest supplier of energy in Europe. About 41 % of pipe gas and 40% of oil needs of EU are covered with Russian supplies. Furthermore, EU countries imported non-ferrous metals and iron and steel products from Russia. In terms of exports from EU to Russia machinery and equipment predominate. Russian companies continue to have a substantial need for modernization and are interested in Western European high-tech devices. Thus, the export proceeds smoothly, a few points should be noted.

The customs

As in the EU, goods can be moved within the EEU freely and without customs duties or import tax. The customs procedure and the Customs Code of the Customs Union were within the EEU transferred to Kyrgyzstan and Armenia. Customs controls take place at the outer borders of the EEU. The customs revenue of EEU represent a majority of the state budget, particularly in Russia. For this reason, the inspection is carried out intensively at customs.

In contrast to EU exporters into the EEU have to pay in addition to the import turnover tax, higher customs duties which are levied on the majority of goods. The customs tariff number in the EEU have ten digits, two more than in the EU (eight). Thus there are more categories for determining the proper Russian customs tariff number. For this reason, exporters to Russia should not be surprised if more goods descriptions are required for the creation of the customs declaration for the import to Russia in spite of the existing European customs tariff number.

What should you consider?

The introduction of electronic customs procedure simplifies customs procedures significantly. Moreover, the number of required documents is reduced and the customs procedure speeded up. It should however be borne in mind that all imported goods must be physically accommodated at a customs office in a bonded warehouse (CBX) for the time of customs clearance of the goods. Only after the successful submission of the customs declaration the goods may leave the customs warehouse. The storage at customs is chargeable unlike in the EU. A license for the establishment of a separate customs warehouse is required.

The customs duties are payable no later than at the time of customs declaration at the customs office. The import turnover tax of 18 percent (regular percentage) is also among those charges. For certain groups of goods, such as pharmaceutical products and products for children, a reduced rate of ten per cent applies. It is important that only a Russian legal entity is entitled to submit customs declarations. Costs are as follows in respect of customs:

- Tariff rate and customs duties (depending on the tariff number and customs value)
- import tax
- fees for customs warehouses
- Possible Fee for the customs representative

Certification of Goods

Further on, a variety of conformity documents are required, which ensure compliance with the safety and quality standards for goods in the EEU. The provision of proof of conformity are required for the following products:

- Perfumery and cosmetics
- Apparel industry (textiles and shoes etc.)
- Food
- Chemical industry
- Electricals, machinery and equipment
- Transport
- Packaging

The certified products obtain the marking "EAC". In addition to the existing obligation of conformity, other requirements for certain goods may be relevant, among others:

- Product Approval for Measuring Equipment
- Fire safety certificates
- Registration for medical products
- hygiene protocols by State Product Registration

Sanctions must be followed if your goods:

- are listed in the EU Control List, in Annex I to the Regulation (EC) No 428/2009 or respectively Commerce Control List of the Bureau of Industry and Security (BIS)
- can be used for military purposes
- are foods
- Your buyer in Russia is on the list of sanctioned companies or persons

Export of dual-use items is possible after a special approval.

Conclusion

For a smooth procedure at the customs clearance and so that nothing stands in the way of the launch on the market of EEU, the deadlines to prepare for product certification and export should be considered. The ISO certificates and CE marking are not usable in the EEU.

About the author

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